

AGENDA

**SPECIAL MEETING
COMMITTEE ON LANDS AND BUILDINGS**

**February 28, 2006
Aldermen Thibault, Smith,
Forest, Roy, Long**

**7:00 PM
Aldermanic Chambers
City Hall (3rd Floor)**

1. Chairman Thibault calls the meeting to order.
2. The Clerk calls the roll.
3. Request to purchase Seal Tanning Parking Lot, the Granite Street Parking Lot and discontinuance and purchase of Phillippe Cote Street.
Gentlemen, what is your pleasure?
4. If there is no further business, a motion is in order to adjourn.

TECHNOLOGY CENTER

February 21, 2006

Mr. Paul Borek
City of Manchester Economic Development Office
City Hall
Manchester, New Hampshire 03101

Re: Granite Lot; Seal Lot; Phillippe Cote Street

Dear Mr. Borek:

Please allow this letter to serve as a formal request, on behalf of 1848 Associates, to purchase the above referenced parcels from the City of Manchester on the general terms and conditions listed below:

Price: \$635,000.00, as previously discussed

Closing Date: Will vary by parcel. We'd like to close on the Seal Lot as soon as possible. The Granite Lot and Phillippe Cote Street sales would close upon the approval of the street discontinuance and expiration of any and all appeal periods.

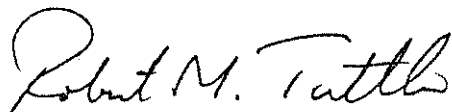
Contingencies:

- Subdivision Approval
- Issuance of a construction easement for the Granite Street Bridge Project through September 30, 2008, with the right to extend this term by nine (9) months provided that during any such extension, the City would provide reasonable alternative parking spaces equivalent to the number of spaces that would have been created in the construction easement area.

Our objectives for purchasing these parcels are two-fold: (i) to meet the short term parking needs of existing tenants in Gateway I, II, and III; and, (ii) to facilitate future rehabilitation of the Pandora Building. If these parcels are purchased, 1848 Associates will commit to add a parking deck to the Seal Lot at 1848 Associates expense. This will alleviate growing parking problems for Autodesk and Texas Instruments, without any financial burden on the City. Rehabilitation of the Pandora Building will require additional parking in the future and 1848 Associates assumes that such parking needs to be created privately, without financial burden to the City. This land purchase would facilitate such action.

Thank you for your attention to this matter and please feel free to contact me should you wish to discuss this further.

Sincerely,



Robert M. Tuttle
General Partner



02-07-2006 RCV0

**City of Manchester
Department of Highways**

227 Maple Street
Manchester, New Hampshire 03103-5596
(603) 624-6444 Fax # (603) 624-6487

Commission

Edward J. Beleski
- Chairman
Henry R. Bourgeois
William F. Kelley
Michael W. Lowry
William A. Varkas

Frank C. Thomas, P.E.
Public Works Director

Kevin A. Sheppard, P.E.
Deputy Public Works Director

MEMORANDUM

TO: Sean Thomas, Mayor's Assistant
Paul Borek, Economic Development
Robert MacKenzie, Director of Planning

FROM: Frank C. Thomas, P.E.
Public Works Director *oxc7*

DATE: February 6, 2006

NO: #06-007

SUBJECT: Pandora -- Sale of Parking Lots

The agreed upon selling for the two lots plus the street was \$635,500.

Enclosed is a summary of how we got the \$635,500 figure (speaking bullets for committee meeting). Also enclosed, is a letter from CLD that defines the savings to the City. Lastly, enclosed is a draft letter that I had prepared for the Committee of Lands and Buildings.

Give me a call if you have any questions pertaining to this matter.

/c

Encl.

PANDORA PROPOSAL

- In the fall of 2004 we received bids for the Granite Street Widening Project. The bids were extremely high and were rejected.
- In talking with contractors we determined that the Project should be broken up in phases to reflect roadwork or bridgework. We also heard that there was a need for adequate staging/work area, especially, on the eastside.
- We made the decision to break the project into 3 phases. The first phase would be the westside and would be included in the States Interchange Project. The second phase would be the Granite Street Bridge Widening and work on the Granite Street Parking Lot. The final phase would be from Commercial Street easterly to Canal Street or Elm Street, based on available funds.
- In order to secure adequate staging, we approached Don Clark, because he was the major leaseholder of spaces in the Granite Street Lot and had control over the abandon Pandora Property. (Westside, State controlled.)
- Don Clark informed us that they had someone interested in the Pandora Property as a hotel and would like to discuss the purchase of both the Granite Street Lot and the Seal Tanning Lot and the discontinuance of Phillipe Cote Street. It was indicated that they would build decks on the lots to provide adequate parking.
- Mr. Clark assured us that staging issues would be worked out. In addition, if the project went forward the City would not have to build all the proposed retaining walls around the Granite Street Lot and would not have to excavate the lot as proposed. (Substantial project costs savings.)
- The City set up a Team to move the proposal forward. Team: Frank Thomas and Dennis Anctil, Highway, Kevin Clougherty and Randy Sherman, Finance, Bill Jabjiniak, Destination Manchester, Tom Clark, Solicitors, Bob MacKenzie, Planning, Steve Hamilton, Assessors and Mike Colby, Mayor's Office.
- The Proposal looked good to everyone in that the major development would increase the City's Tax Base, the developers would provide additional parking and the City would save construction costs on the Granite Street Project.
- The City's Parking Consultant noted to us that the City didn't need the two lots in question where they basically only provided parking to the direct abutters. They had no concerns over the City selling these lots.
- The City had an appraisal (Bramley), Clark had an appraisal (Freneau) and a review appraisal was conducted by the City (Crafts). Crafts concluded that it would be appropriate to rely on the simple value of the Freneau appraisal.

- The Fremneau Appraisal noted a value to the properties of \$1,920,000. The potential savings to the City was identified by City consultants at \$1,284,500 (Based on actual bids, the potential savings is \$1,540,500, which does not include any indirect savings due to having an adequate staging area.) See attached. The resulting net sale price was \$635,500.

SUMMARY
APPRAISALS – PANDORA AREA
 June 2, 2005

	Fremneau
Granite Street Lot	\$440,000
Seal Tanning Lot	\$850,000
Cote Street	\$630,000
Total	\$1,920,000
Potential Savings	(\$1,284,500)
Net Total	\$635,500



540 Commercial Street Manchester, NH 03101
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cld@cldengineers.com • www.cldengineers.com
New Hampshire • Vermont • Maine

TO: Francis C. Thomas, P.E.

FROM: Roch D. Larochelle, P.E.

DATE: July 25, 2005

RE: Manchester 14025
Granite Street Widening
CLD Reference No. 00-0210

SUBJECT: Granite Parking Lot Redevelopment Costs

The purpose of this memo is to document and update the estimated value of certain construction costs associated with the proposed reconstruction of the City-owned parking lot known as the "Granite Lot", which is bounded by Granite, Commercial and Philippe-Cote Streets. As was first outlined in our memo dated February 2, 2005, the costs as outlined below would likely be eliminated/deducted from the ultimate cost of the City's Granite Street widening project given the event that the Granite Lot and adjacent Pandora building are privately redeveloped into a new use, including the construction of a new private parking garage.

As previously documented, anticipated City contract deducts would include the value of reconstruction of the Granite Lot (Jillian's Lot) including an extensive retaining wall system and associated work efforts along Granite, Commercial and Philippe-Cote Streets. In its place would stand a proposed parking deck that would be constructed adjacent to the newly constructed Granite Street Widening.

Given the recent bids that were accepted for the City's bridge project on July 20th, we have now taken the opportunity to review our original cost estimates to base them on current and actual prices. That being stated, the values noted below reflect adjustments made by evaluating and averaging the unit costs as presented by the four bidders for that project. It should be noted however that until a parking garage design is completed for the subject site, there remains some uncertainty in the value for the Granite Street retaining wall work until a design has been completed for the Pandora Parking Garage and the union between this structure and Granite Street can be better defined. Additionally, as was referenced in the original February 2005 memo, there are also other hard costs that have been identified by City staff that total approximately \$300,000 and relate to the future programmed maintenance and/or rehabilitation costs for the subject parking lot and Philippe-Cote Street.

The updated estimate potential cost-offset to the City's Granite Street project in anticipation of the proposed private development is summarized as follows:

Memorandum to Francis C. Thomas, P.E.

CLD Reference No. 00-0210

July 25, 2005

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1. Granite Lot Reconstruction:	\$500,000 (includes Philippe Cote St. Reconstruction)
2. Retaining Wall Construction:	\$390,000 (Granite St. Sta. 116+67 to Commercial St.)
3. Retaining Wall Construction:	\$320,000 (Commercial/Granite/Philippe Cote)
4. Future Maintenance Costs:	\$10,500 (Philippe Cote Ave resurfacing)
5. Future Maintenance Costs:	<u>\$320,000 (Seal Tanning Lot resurfacing)</u>
Subtotal:	\$1,540,500

Based on the information provided herein, the value stated remains an approximate cost subject to final City approvals for the transfer of ownership for certain tracts of land as well as design engineering/project coordination for the proposed parking garage construction at the Granite Lot.

cc: Dennis Ancil City of Manchester
Ken Rhodes CLD



**City of Manchester
Department of Highways**

227 Maple Street
Manchester, New Hampshire 03103-5596
(603) 624-6444 Fax # (603) 624-6487

Commission

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Frank C. Thomas, P.E.
Public Works Director

Kevin A. Sheppard, P.E.
Deputy Public Works Director

DRAFT

August 2, 2005
#05-070

Lands and Buildings Committee of the
Alderman Henry R. Thibault, Chairman
City Clerk's Office
One City Hall Plaza,
Manchester, New Hampshire 03101

Re: Pandora Proposal

Dear Alderman:

City staff supports the sale of the Granite Street Parking Lot, the Seal Tanning Parking Lot and the discontinuance and sale of Phillippe Cote Street for the following three main reasons:

1. Construction costs on the Granite Street Widening Project will be reduced by approximately \$1.2 million.
2. Additional parking will be provided in the Millyard without the investment of any City funds.
3. \$10 million of new development will be added to the City's tax base.

In the fall of 2004 the City received bids for the Granite Street Widening Project, which were extremely high and later rejected. In reviewing the issue with contractors, we determined that the project should be broken into three phases made up separately of roadwork and bridgework. It also became apparent that contractors had concerns with coordination issues on the west side due to ~~multiple~~ contractors working in the same area and the need to have an adequate staging area on the east side for the bridgework. As a result, the use of the Granite Street Parking Lot for a staging area became a high priority for a successful project.

Over the winter, we approached Mr. Don Clark who represents 1848 Associates who is a major leaseholder of spaces in the Granite Street Lot and owners of the Pandora Property regarding our Granite Street Project and the issue of contractor staging. Mr. Clark at this time informed us that they had someone interested in the Pandora Property as a hotel. He went on to say that they had a desire to talk to the City about purchasing the Granite Street Lot, the Seal Tanning Lot and Phillippe Cote Street in order to make their project a reality. It was noted that a parking deck would be constructed from the Pandora Building southerly across the Granite Street Lot as part of the hotel project and that they had a further desire to build a future parking deck over the Seal Tanning Lot to provide additional parking.

DRAFT

It became apparent in our discussions with Mr. Clark that if the City accepted this proposal, there would be substantial savings in Granite Street construction costs. These savings would be realized by not having to reconstruct the Granite Street Lot by excavating it to one level and building retaining walls along the Commercial Street and Phillippe Cote Street sides. These potential savings were extremely appealing in that increases in the cost of construction materials has clearly jeopardized the completion of the entire Granite Street Widening Project without a sizable additional City appropriation. In addition, we also determined that there would be savings in not having to perform scheduled maintenance on the Seal Tanning Lot.

Believing that this proposal had merit, a City Team was created to move this proposal forward. This Team consisted of Frank Thomas and Dennis Anctil from Highway, Kevin Clougherty and Randy Sherman from Finance, Bill Jabjiniak from Destination Manchester, Tom Clark from the Solicitor's, Bob MacKenzie from Planning, Steve Hamilton from the Assessors and Mike Colby from the Mayor's Office.

An appraisal to determine the value of the properties was performed by the City and another one performed by 1848 Associates. Due to a wide spread between appraisals, a review of the appraisals was made by Crafts Appraisals for the City. This review recommended utilizing the one prepared by Fremeau Appraisal, Inc., which placed a value on the properties of \$1,920,000. A value of \$1,284,500 was identified by City consultants as savings resulting from not having to do the construction work on the Granite Street Lot and the scheduled maintenance work on the Seal Tanning Lot. (This amount based on actual bids recently received is now estimated at \$1,540,500.) Discounting the appraised value of the property by \$1,284,500 resulted in a net selling price of \$635,500.

The City's Parking Consultant was next contacted to determine if the City should retain ownership of these lots in order to preserve our ability to build parking structures on them in the future. The Parking Consultant responded by saying that the site of these two lots basically only provides parking for the directly abutting businesses and that a future parking structure should ideally be located in the center of the millyard in the area of the Bedford Street Lot. Therefore, the Parking Consultant did not have any concerns over the City potential selling these lots.

As a result of the above, it is recommended that you find these properties as surplus, that you waive the need to competitively bid the sale of these properties, that you accept the proposed selling price of \$635,500, that you recommend the discontinuance of Phillippe Cote Street and further recommend the same to the Board of Mayor and Aldermen.

August 2, 2005
Pg. (3)

DRAFT

I will be available to answer any questions you may have on the matter.

Very truly yours,

Frank Thomas, P.E.
Public Works Director

/c

cc: Robert A. Baines, Mayor
Kevin Clougherty
Randy Sherman
Paul Borek
Tom Clark
Robert MacKenzie
Steve Hamilton
Mike Colby

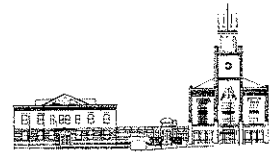


Robert S. MacKenzie, AICP
Director

CITY OF MANCHESTER

Planning and Community Development

Planning
Community Improvement Program
Growth Management



Staff to:
Planning Board
Heritage Commission
Millyard Design Review Committee

February 21, 2006

Committee on Lands and Buildings
City Hall
One City Hall Plaza
Manchester, NH 03101

re: *Seal Tanning lot and Granite Street lot*

Honorable Committee Members:

The abutting property owners have expressed an interest in acquiring the above referenced City owned lots.

Background: These lots were leftover parcels from the redevelopment of the Millyard by the MHRA. Since that time they have been used for parking by the abutting property owners who are currently requesting their purchase. It should be noted that the Public Works Department has indicated that a significant amount of money can be saved (exceeding \$1,000,000) if they do not have to rebuild the Granite Street lot as part of the Granite Street reconstruction project.

Surplus Determination: The draft parking study has recommended that these two parking lots are not required for a long term parking program. As such, we would recommend that the lots be determined surplus to City needs.

Method of Sale: Normal disposition would be by public sale. In this situation, the Committee and Board may find public purpose for selling the properties to the requesting party for the following reasons:

- 1) The requesting party is the primary abutter to the Seal Tanning lot and is the only abutter to the Granite Street lot;
- 2) The requesting party has been the primary user of the lots for at least the last fifteen years; and
- 3) Sale of the lots will likely increase the business activity in the three existing redeveloped buildings and may lead to the redevelopment of the Pandora Building.

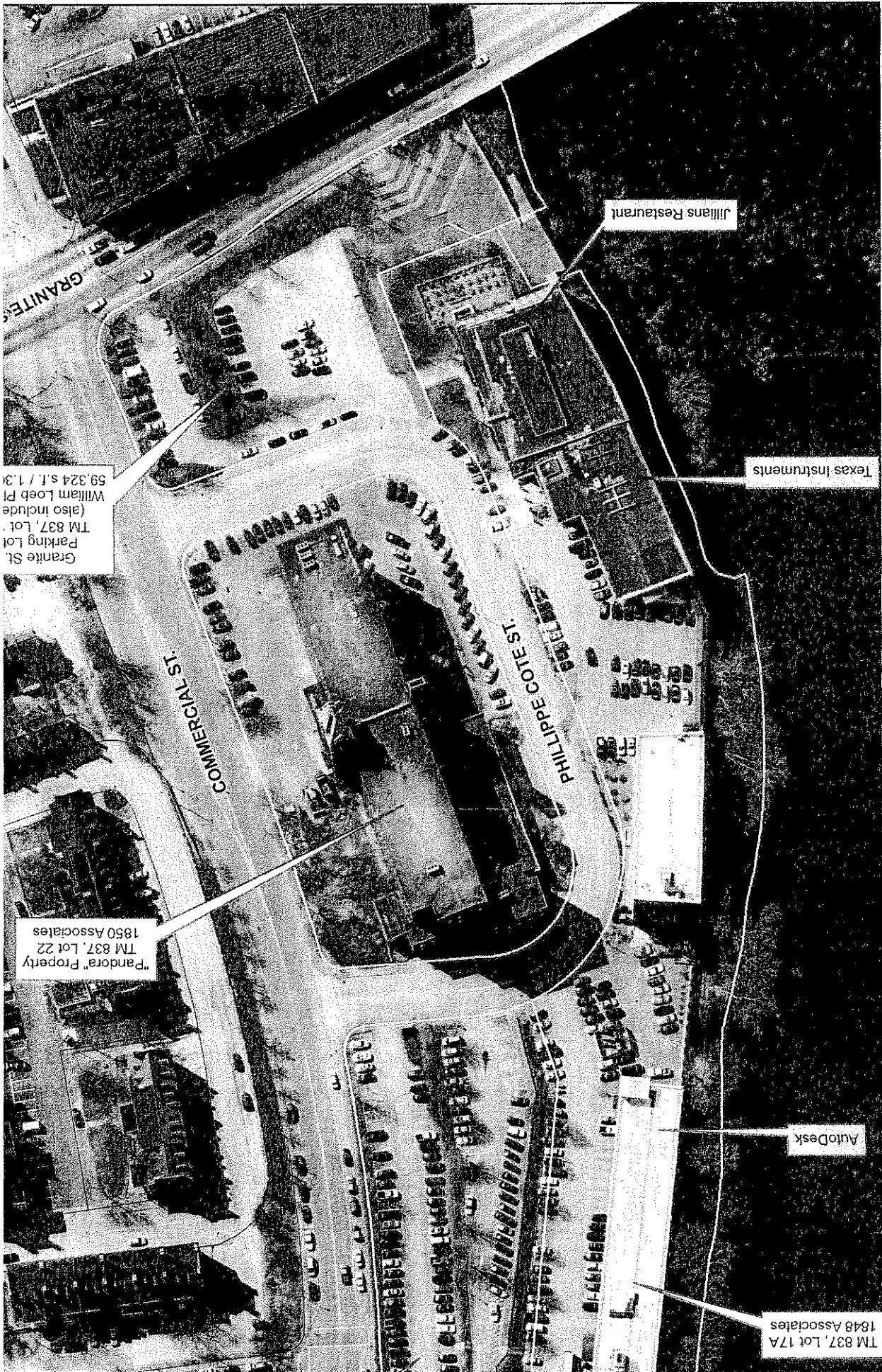
If there are any questions, staff will be available at the committee meeting.

Sincerely,

Robert S. MacKenzie

for Robert S. MacKenzie, AICP
Director of Planning and Community Development

One City Hall Plaza, Manchester, New Hampshire 03101
Phone: (603) 624-6450 Fax: (603) 624-6529
E-mail: planning@ManchesterNH.gov
www.ManchesterNH.gov



Granite St.
Parking Lot
TM 837, Lot 1
(also include
William Loeb Pl
59,324 s.f. / 1.3)

"Pandora" Property
TM 837, Lot 22
1850 Associates

Jillians Restaurant

Texas Instruments

AutoDesk

TM 837, Lot 17A
1848 Associates